

RECORDATION NO. 26387 FILED

JUN 13 '06

2-35 PM

SURFACE TRANSPORTATION BOARD

John M. Berman
Attorney-at-Law
7175 SW Beveland St.
Suite 210
Tigard, OR 97223

Tel. (503) 670-1122
Fax (503) 670-0343
Jberman976@aol.com
June 9, 2006



Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Re: Equa-Chlor, LLC/John M. Berman

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11201(1) are two (2) copies of a Security Agreement, dated June 9, 2006, a primary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document covers 21 owned rail cars of the Debtor, Equa-Chlor, LLC.

The names and addresses of the parties to the enclosed document are:

Secured Party:

John M. Berman
7175 SW Beveland St., Suite 210
Tigard, OR 97223

Debtor:

Equa-Chlor, LLC
3541 Industrial Way
Longview, WA 98632

A description of the railroad equipment covered by the enclosed document is:

Schedule A
Three (3) Tank Cars

Mark	Number	Build Date	Status	Classification	Commodity	Cleaning Certificate	IP Code	Delivery Location
					CHLORINE			
PLMX	000183	1978	storage	105A500W		X	00980	Evansville, IN
PLMX	000184	1978	storage	105A500W	CHLORINE	--	00980	Flomaton, AL
					CHLORINE			
PLMX	000185	1978	storage	105A500W		X	00980	Evansville, IN

Eighteen (18) Tank Cars

Mark	Number	Build Date	Status	Classification	Commodity	Cleaning Certificate	IP Code	Delivery Location
					CHLORINE			
DCTX	016114	1978	storage	105J500W		X	00065	Miles City, MT
					CHLORINE			
DCTX	016115	1978	storage	105J500W		X	00065	Miles City, MT
					CHLORINE			
DCTX	016119	1978	storage	105J500W		X	00065	Miles City, MT
					CHLORINE			
DCTX	016124	1978	storage	105J500W		X	00065	Miles City, MT
					CHLORINE			
DCTX	016142	1979	storage	105J500W		X	00065	Miles City, MT
					CHLORINE			
DCTX	016146	1979	storage	105A500W		X	00065	Flomaton, AL
					CHLORINE			
DCTX	027148	1972	storage	105A500W		---	00065	Garden City, KS
					CHLORINE			
DCTX	027476	1978	storage	105A500W		X	00065	Montreal, PQ
					CHLORINE			
DCTX	027478	1978	storage	105A500W		X	00065	Montreal, PQ
					CHLORINE			
DCTX	027481	1978	storage	105A500W		X	00065	Montreal, PQ
					CHLORINE			
DCTX	027482	1978	storage	105A500W		X	00065	Montreal, PQ
					CHLORINE			
DCTX	027490	1978	storage	105A500W		X	00065	Montreal, PQ

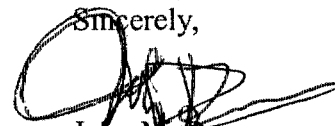
					CHLORINE			
DCTX	027498	1978	storage	105A500W		X	00065	Montreal, PQ
					CHLORINE			
DCTX	027500	1978	storage	105A500W		X	00065	Montreal, PQ
					CHLORINE			
DCTX	027502	1978	storage	105J500W		X	00065	Montreal, PQ
					CHLORINE			
DCTX	027503	1978	storage	105A500W		X	00065	Montreal, PQ
					CHLORINE			
DCTX	027504	1978	storage	105J500W		X	00065	Montreal, PQ
PLMX	027508	1981	storage	105J500W	CHLOROPICRIN	X	00065	Flomaton, AL

A short summary of the document to appear in the index is:

Security Agreement.

Also enclosed is a check in the amount of \$34 payable to the order of the Surface Transportation Safety Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Sincerely,

John M. Berman

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SECURITY AGREEMENT

SURFACE TRANSPORTATION BOARD

1. Equa-Chlor, LLC, a Washington limited liability company, whose principal place of business is 3541 Industrial Way, P.O. Box 865, Longview, WA 98632, (hereafter "Debtor") for and in consideration of loans made or to be made by John M. Berman, 7175 SW Beveland St., Suite 210, Tigard, OR 97223 (hereafter "Secured Party") to Debtor, hereby grants to Secured Party a security interest in the personal property identified on Schedule A attached hereto and incorporated by reference, together with all accessories, substitutions, replacements, parts and accessions affixed to or used in connection therewith, as well as the products and proceeds thereof, and any and all insurance policies and the proceeds therefrom insuring same (all of which is hereafter called the "Collateral") to secure payment of all of Debtor's obligations to Secured Party, including but not limited to the obligations incurred pursuant to a separate document entitled Loan Agreement to Finance Twenty One (21) Rail Cars and also to secure any and all other liabilities, direct and indirect, absolute and contingent, now existing or hereafter arising from the Debtor to the Secured Party.

2. Debtor warrants that it has good title to the Collateral and there are no other security interests or encumbrances of any kind against the Collateral. Debtor agrees to defend the Collateral and Secured Party's interest in the Collateral against any claims or demands of all persons whomsoever.

3. Debtor warrants and agrees that it will not sell, exchange, lease or otherwise dispose of the Collateral or any part thereof, or suffer or permit any lien, levy or attachment thereon or security interest therein other than that of the Secured Party.

4. Debtor warrants and agrees to maintain the Collateral in good condition and repair and to preserve the same against waste, loss, damage or depreciation in value other than by reasonable wear and tear. Debtor will not use any of the Collateral in violation of any law or regulation. Secured Party may examine and inspect the Collateral at any reasonable times, wherever located, and for that purpose hereby is authorized by Debtor to enter any place or places where any part of the Collateral may be found.

5. Debtor will keep the Collateral fully insured against loss or damage by fire, theft, collision, accident and other hazards, will name Secured Party as the loss payee and will provide Secured Party with a certificate of insurance insuring the Collateral for not less than \$600,000, with such deductible and in such companies as Secured Party may approve.

6. Debtor will pay when due all taxes, license fees and assessments relative to the Collateral and its use.

7. In the event that Debtor fails or refuses to perform any of the foregoing obligations, Secured Party shall be entitled to do so, but is not required to do so. If Secured Party incurs any expense in doing so, Debtor agrees that any expense so incurred shall become immediately due and payable, shall be added to Debtor's obligations to

Secured Party, shall be subject to the terms and conditions of the Loan Agreement for Financing Twenty One (21) Rail Cars and shall bear interest at the rate of 18% per annum from the date of disbursement until repaid.

8. This Security Agreement shall be governed by the laws of Oregon with reference to any choice of law principles. If any part of this Security Agreement is held to be unenforceable, such shall not make the entire Security Agreement unenforceable. No modification of this Security Agreement shall be enforceable or binding unless it is in writing and signed by the party whose interests are affected. Secured Party shall not be deemed to have waived any rights under this Security Agreement unless such waiver is in writing and signed by him. No delay in Secured Party exercising any of his rights hereunder shall be a waiver, nor shall a waiver on one occasion operate as a waiver of any right on a future occasion.

9. All of the benefits of this Security Agreement shall inure to the benefit of the Secured Creditor, his heirs, successors and assigns.

10. The following shall constitute defaults under this Security Agreement;

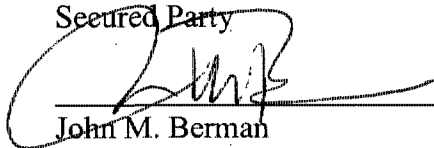
- a. Debtor's failure to pay when due any obligation provided for in any loan agreements to which it is a party with Secured Party, after any right to cure has expired;
- b. Debtor's failure to keep, observe or perform any provision of this Security Agreement or the terms of any provisions of any other agreements between Debtor and Secured Party, after any right to cure has expired;
- c. Loss, theft, destruction of or material damage to any of the Collateral to the extent that Secured Party reasonably believes the value of the Collateral, taking into account the cost of locating, taking possession of and selling the Collateral, is not sufficient to pay in full all amounts owed to Secured Party; or
- d. Failure or termination of the business of, or commencement of any insolvency or receivership proceedings by or against Debtor

11. Upon Debtor's default, Secured Party shall have each and all of the rights and remedies granted pursuant to the Uniform Commercial Code as adopted in Washington and Oregon, the terms of any separate documents evidencing any obligations and this Security Agreement, including

- a. Declaring the entire unpaid balance immediately due and payable; and
- b. Requiring Debtor to assemble the Collateral at a place designated by Secured Party.

12. Debtor agrees that in the event of a default, Debtor will pay all of Secured Party's reasonable attorney fees and other expenses incurred, including without limitation fees and expenses incurred in retaking, holding, preparing for sale, selling and realizing on said Collateral. Should a suit or action be commenced to enforce rights existing under this Security Agreement or any loan agreements between Debtor and Secured Party, the losing party agrees to pay the prevailing party all of the prevailing party's costs and expenses of any kind at trial and on any appeal.

Secured Party

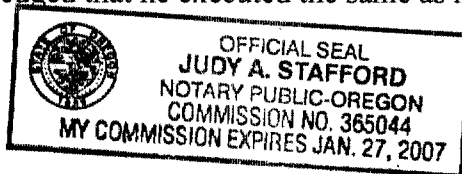

John M. Berman

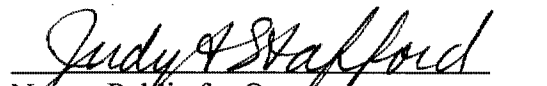
State of Oregon)

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COUNTY OF WASHINGTON)

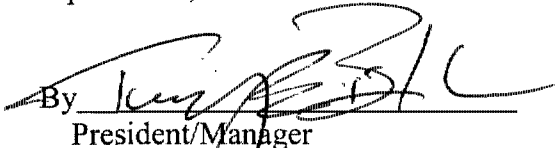
On this 9th day of June, 2006, before me personally appeared John M. Berman, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.




Notary Public for Oregon
My Commission Expires: 1-27-07

Debtor

Equa-Chlor, LLC

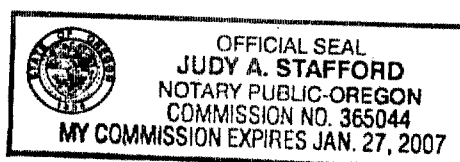
By 
President/Manager

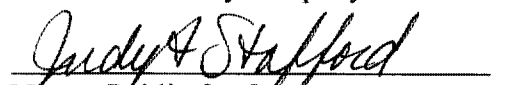
State of Oregon)

)ss:

COUNTY OF WASHINGTON)

On this 9th day of June, 2006, before me personally appeared Timothy Bistolas, to me personally known, who being by me duly sworn, says tht he is the President/Manager of Equa-Chlor, LLC, that said instrument was signed on behalf of said limited liability company by authority of its members, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability company.




Notary Public for Oregon
My Commission Expires: 1-27-07

Schedule A

Three (3) Tank Cars

Mark	Number	Build Date	Status	Classification	Commodity	Cleaning Certificate	IP Code	Delivery Location
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DCTX	027482	1978	storage	105A500W	CHLORINE	X	00065	Montreal, PQ
DCTX	027490	1978	storage	105A500W	CHLORINE	X	00065	Montreal, PQ
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DCTX	027502	1978	storage	105J500W	CHLORINE	X	00065	Montreal, PQ
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